



## Senate

General Assembly

**File No. 15**

February Session, 2002

Substitute Senate Bill No. 310

*Senate, March 8, 2002*

The Committee on Human Services reported through SEN. HANDLEY of the 4th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

### ***AN ACT REQUIRING THE PROVISION OF COVERAGE FOR SMOKING CESSATION UNDER THE MEDICAID PROGRAM.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 17b-278a of the general statutes is repealed and  
2 the following is substituted in lieu thereof (*Effective July 1, 2002*):

3 The Commissioner of Social Services [may] shall amend the  
4 Medicaid state plan to provide coverage for treatment for smoking  
5 cessation ordered by a licensed [physician to the extent permitted by  
6 federal law. Such coverage shall be limited to a maximum of four  
7 hundred dollars per person per year] health care professional who has  
8 authority under appropriate federal or state laws to prescribe drugs for  
9 smoking cessation. Not later than January 1, 2003, the commissioner  
10 shall, in accordance with section 11-4a, present a plan for smoking  
11 cessation services to the joint standing committee of the General  
12 Assembly having cognizance of matters relating to human services,  
13 and such plan shall be implemented by July 1, 2003.

This act shall take effect as follows:
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Section 1	<i>July 1, 2002</i>
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**HS**      *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

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**OFA Fiscal Note****State Impact:**

Fund-Type	Agency Affected	Current FY \$	FY 03 \$	FY 04 \$
GF - Cost	Dept. of Social Services	None	None	Significant

**Municipal Impact:** None

**Explanation**

This bill requires the Commissioner of the Department of Social Services to amend the state Medicaid plan to cover the cost of smoking cessation services, effective July 1, 2003. DSS must develop a plan to provide these services for submission to the Human Services Committee by January 1, 2003. Depending on the plan developed, the annual cost is estimated to be between \$750,000 and \$2,500,000.

**POPULATION**

There are approximately 95,000 adults receiving health services through Medicaid. Assuming that 25% of this population smokes, and that 25% of these smokers will attempt to quit, the Office of Fiscal Analysis assumes that smoking cessation services would be provided to 5,940 people annually.

**COST ESTIMATE**

The total cost of this service extension will depend upon the plan for smoking cessation services to be developed by DSS. Such plan could include a wide range of services with varying costs, from nicotine chewing gum to pharmaceuticals such as Zyban to psychiatric counseling. It is expected that DSS will include measures within this

plan to manage services and contain costs. Therefore, until the department develops such a plan, the total cost of this bill can only be estimated.

The table below details two potential cost scenarios, both of which assume certain cost containment measures. The first is based on a plan that covers two quit attempts of up to 90 days in per year, which has been implemented in other states. The estimated annual cost per case for this coverage is \$125, which results in an annual cost of \$742,000. Extrapolating the first scenario to more expansive coverage, as may be necessary under the Medicaid program, and assuming declining use over the year, results in a per person cost of \$420, illustrated as scenario two below.

Scenario	Participants	Cost per Person	Annual Cost
One	5,940	\$125	\$742,000
Two	5,940	\$420	\$2,495,000

As stated above, the final cost will depend upon the plan implemented by DSS. The cost illustrated in the table represent a likely range of costs. It is expected that the plan developed by DSS will comply with Medicaid requirements and will therefore be eligible for 50% reimbursement from the federal government. DSS should be able to develop this plan within its anticipated budgetary resources.

**OLR Bill Analysis**

sSB 310

***AN ACT REQUIRING THE PROVISION OF COVERAGE FOR  
SMOKING CESSATION UNDER THE MEDICAID PROGRAM*****SUMMARY:**

This bill requires, rather than allows, the social services commissioner to amend the Medicaid state plan to provide smoking cessation treatment. The amendment must allow any health professional possessing valid and current federal or state licensure to prescribe smoking cessation drugs, not just licensed physicians, to order the Medicaid-covered treatment. The bill also removes the requirements that the treatment be (1) provided only to the extent permitted by federal law and (2) limited to \$400 per person per year.

The bill requires the commissioner to present a smoking cessation service plan to the Human Services Committee by January 1, 2003. The plan must be implemented by July 1, 2003.

EFFECTIVE DATE: July 1, 2002

**BACKGROUND*****Medicaid Coverage for Smoking Cessation***

Federal Medicaid law gives states the option of providing coverage for smoking cessation treatment, which includes drug therapy and behavior modification counseling. While the law covers smoking cessation drugs, it allows states to exclude them from Medicaid coverage (42 USC Sec. 1396r-8(d)). Otherwise, a state must cover the drugs if the state plan provides the coverage, a licensed practitioner of the healing arts within the scope of his professional practice prescribes them, and the person seeking them is Medicaid-eligible. Medicaid will also pay for non-drug therapy, such as smoking cessation behavior modification counseling. For either treatment type, Medicaid will pay only if it is medically necessary for treating a particular diagnosis and the practitioner providing the non-drug therapy is enrolled in the state's Medicaid program.

Under the Medicaid program's Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) component, states must cover smoking cessation drug therapy when it is determined medically necessary for eligible children under age 21. As part of the EPSDT screening, states must show that they offered tobacco use discussion, and they must provide cessation counseling to children and adolescents at appropriate ages.

The law does not limit the duration of these services or the amount that Medicaid will pay.

**COMMITTEE ACTION**

Human Services Committee

Joint Favorable Substitute

Yea 17      Nay 0